

Message Text

LIMITED OFFICIAL USE

PAGE 01 LIMA 08994 232308Z

70

ACTION ARA-10

INFO OCT-01 ISO-00 SP-02 AID-05 EB-04 NSC-05 RSC-01

CIEP-01 TRSE-00 SS-15 STR-01 OMB-01 CEA-01 CIAE-00

COME-00 FRB-01 INR-05 NSAE-00 XMB-02 OPIC-03 LAB-01

SIL-01 GSA-01 H-01 L-01 PA-01 PRS-01 USIA-06 /071 W

----- 097719

P 232235Z OCT 74

FM AMEMBASSY LIMA

TO SECSTATE WASHDC PRIORITY 2473

LIMITED OFFICIAL USE LIMA 8994

E.O. 11652: N/A

TAGS: EFIN, EMIN, ETRD, PE

SUBJECT: CUAJONE - LAST HURDLE WITH GOP OVERCOME

REF: LIMA 8390, 8301, STATE 214853

1. FRANK WISE, ASARCO LAWYER, CALLED ON AMBASSADOR OCTOBER 23 TO INFORM US THAT TAX EXONERATION ISSUE HAS BEEN SETTLED TO SATISFACTION SPCC AND BANKING PARTNERS. WISE EXPLAINED THAT BY D.L. 20768, PUBLISHED IN OFFICIAL GAZETTE OCTOBER 23, GOP HAD AGREED TO EXONERATE ALL THIRD PARTIES (READ TWO EUROPEAN COPPER BUYERS) FROM PAYMENT OF COPPER EXPORT TAX. DECREE LAW, SIGNED BY FULL CABINET, STATES THAT SALES OF COPPER BY THIRD PARTIES WILL BE SUBJECT TO TAX PROVISIONS OF ORIGINAL CUAJONE CONTRACT OF 1969, WHICH WAIVED COPPER EXPORT TAX FOR SPCC. THUS, THIS TAX WILL NOW BE WAIVED FOR BILLITON AND ENFIELD COPPER BUYERS AS WELL. (COPY OF DECREE BEING POUCHED TO ARA/EP.

2. WISE EXPLAINED THAT GOP'S ACCEPTANCE OF SPCC POSITION MEANS THAT CUAJONE PACKAGE CAN FINALLY BE COMPLETED, AND THERE ARE NO MAJOR GOP CONCURRENCES REQUIRED PRIOR TO LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 LIMA 08994 232308Z

INITIATION OF CUAJONE DRAWDOWNS ON COPPER LOANS. SENIOR

MINISTRY OF MINES OFFICIAL LATER IN DAY CONFIRMED THAT CUAJONE PACKAGE NOW ON TRACK AND THAT NO SERIOUS HURDLES REMAIN. OFFICIAL SAID THAT ENFIELD AND BILLITON TOLLING CONTRACTS SHOULD BE SIGNED WITHIN NEXT FEW DAYS WITH MINEROPERU, ACTION WHICH WILL COMPLETE ALL PAPERWORK ON GOP'S PART FOR CUAJONE. OFFICIAL SAID ALL PARTIES PLEASED THAT IMPASSE OVERCOME.

3. COMMENT: IT IS CLEAR THAT IN FINAL CRUNCH, GOP AGREED TO ACCEPT SPCC AND CHASE AGREEMENTS AND, IN FACT, MADE A SPECIAL EXCEPTION TO ITS OWN TAX LAWS IN ORDER TO SAVE CUAJONE PACKAGE. WHILE THIS WAS DONE WITH A MINIMUM OF FANFARE, LOCAL JOURNALIST FOR ENGLISH LANGUAGE "PERUVIAN TIMES" HAS NOTED APPEARANCE OF SPECIAL DECREE LAW, AND WE EXPECT NEWS STORIES MAY APPEAR SHORTLY ABOUT FAVORABLE RESOLUTION OF CUAJONE "PROBLEM."
DEAN

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MINING INDUSTRY, LOAN AGREEMENTS, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 23 OCT 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: shawdg
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974LIMA08994
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740303-0112
From: LIMA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741024/aaaaatvj.tel
Line Count: 78
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: LIMA 8390, 8301, STATE 214853
Review Action: RELEASED, APPROVED
Review Authority: shawdg
Review Comment: n/a
Review Content Flags:
Review Date: 20 SEP 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <20 SEP 2002 by WorrelSW>; APPROVED <05 MAR 2003 by shawdg>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CUAJONE - LAST HURDLE WITH GOP OVERCOME
TAGS: EFIN, EMIN, ETRD, PE, IN, CUAJONE, SPCC, ASARCO
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005